



THE SECRETARY FOR HEALTH SERVICES  
COMMONWEALTH OF KENTUCKY  
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PAUL E. PATTON  
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SECRETARY

February 5, 2003

Hospital Provider Letter # A-190

**RE: DRG ANNOUNCEMENT**

Dear Provider:

**Effective for services after April 01, 2003, Kentucky Medicaid will begin paying for inpatient care through a prospective payment system. The new system utilizing diagnostic related groupings or DRGs was modeled after the Medicare system and designed to be budget neutral relative to statewide Medicaid expenditures.**

Since Kentucky's DRGs are heavily based upon Medicare's system, we believe most hospitals will be well familiar with the new process. In addition, provider training sessions will be offered to assure the smoothest possible transition.

Training sessions will be held February 25, 26, and 27, 2003. There will be an 8:30 a.m. morning and a 1:00 p.m. afternoon training session to allow as many providers as possible to attend. A limit of no more than five persons from the same provider will be allowed at the sessions. For non-provider entities wishing to attend there will be a limit of two persons per session.

The training site will be the Human Resources Building Auditorium located at 275 E. Main Street, Frankfort, KY 40621.

If you wish to enroll for one of the sessions or have any questions, you can contact Darlene Burgess or Anna Dunn by calling 502.564.6511, Monday through Friday between 8:00 a.m. and 4:00 p.m. or by e-mail at [Darlene.Burgess@mail.state.ky.us](mailto:Darlene.Burgess@mail.state.ky.us) or [AnnaM.Dunn@mail.state.ky.us](mailto:AnnaM.Dunn@mail.state.ky.us).

As always, we appreciate the care which hospitals provide to Kentuckians eligible for Medicaid.

Sincerely,

Marcia R. Morgan  
Secretary

MRM/RF/amd



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